No. 9, Original

AUG 16 1972

In the Supreme Court of the United States

OCTOBER TERM, 1972

UNITED STATES OF AMERICA,
Plaintiff,

v.

STATE OF LOUISIANA, ET AL.

MOTION BY THE STATE OF LOUISIANA FOR ENTRY OF A SUPPLEMENTAL DECREE AS TO THE UNITED STATES OF AMERICA (No. 4)

PROPOSED SUPPLEMENTAL DECREE and MEMORANDUM IN SUPPORT OF MOTION

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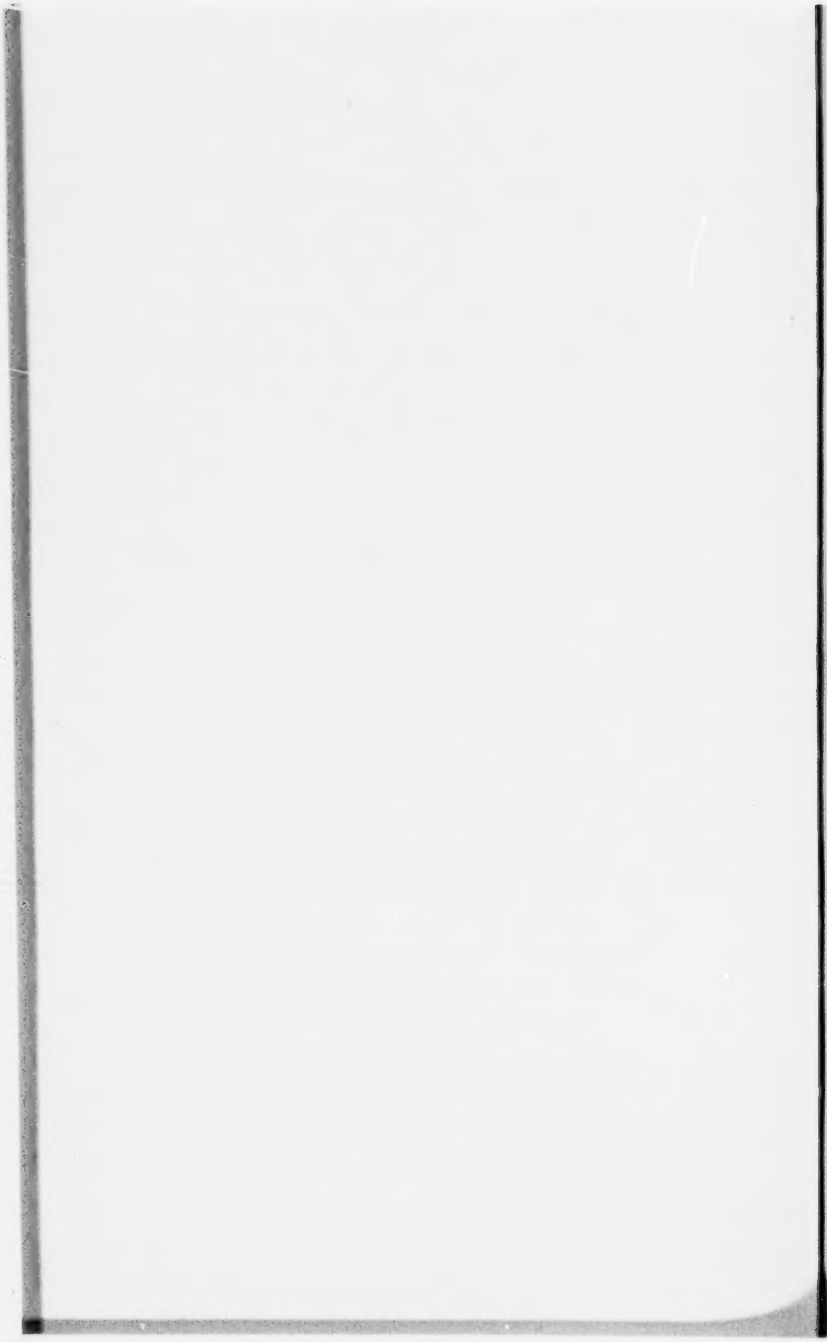

No. 9, Original

In the Supreme Court of the United States

OCTOBER TERM, 1972

UNITED STATES OF AMERICA,

Plaintiff,

v.

STATE OF LOUISIANA, ET AL.

MOTION BY THE STATE OF LOUISIANA FOR ENTRY OF A SUPPLEMENTAL DECREE AS TO THE UNITED STATES OF AMERICA (No. 4)

The State of Louisiana, by its Attorney General, moves the Court as follows:

1. That the Court enter a supplemental decree as to the United States of America, in the form submitted herewith, declaring the rights of the State of Louisiana in the area described in the proposed supplemental decree, and releasing to the State of Louisiana, free of impoundment, those sums heretofore or hereafter derived from or attributable under the Interim Agreement of 1956, as amended, to leases of lands lying wholly within the area described.

2. That the United States of America be required to respond to this motion promptly.

This motion is made on the following grounds:

1. Every ground asserted by the United States of America in support of its claim to rights in the de-

scribed area was rejected by the Court in its opinion of March 3, 1969, 394 U.S. 11.

2. The Federal government did not petition for rehearing and Louisiana's petition for rehearing was denied on April 21, 1969, 394 U.S. 994.

3. By order of May 19, 1969, 395 U.S. 901, the Court referred this case to Walter P. Armstrong, Jr., as Special Master, "to make a preliminary determination consistent with the opinion of this Court."

In the proceedings before the Special Master, the United States has admitted or asserted that no determination consistent with the Court's opinion could give the United States any rights in the described area, that the United States asserts no claim to the described area under the order of reference, and that no issue as to that area is pending before the Special Master.

4. There is no reason why a decree should not be entered at this time, declaring the rights of the State of Louisiana in the area described and terminating the impoundment as to sums derived under the Interim Agreement of 1956, as amended, from leases of lands lying wholly within that area, without waiting until a decree can be entered with respect to the areas in dispute before the Special Master.

5. The State and Nation are both suffering from a serious and growing shortage of petroleum and natural gas. The proposed decree would alleviate this shortage by releasing a substantial area of land from

legal impediments to exploration. The State of Louisiana is sorely in need of the funds that could be generated by such development.

6. Along great stretches of Louisiana coast, the line described in Supplemental Decree No. 3 is identical to the line described in the proposed Supplemental Decree No. 4.

7. This motion and the proposed decree have been amicably formulated in consultation with counsel and technical experts of the United States and Louisiana is informed that the United States has no objection thereto.

Respectfully submitted,

For the State of Louisiana:

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By: /s/ William J. Guste, Jr.

August 1972

No. 9, Original

In the Supreme Court of the United States

OCTOBER TERM, 1970

UNITED STATES OF AMERICA, Plaintiff,

v.

STATE OF LOUISIANA, ET AL.

PROPOSED SUPPLEMENTAL DECREE AS TO THE UNITED STATES OF AMERICA (No. 4)

For the purpose of giving effect to the conclusions of this Court as stated in its opinion, announced May 31, 1960, 363 U.S. 1, and the decrees entered by this Court on December 12, 1960, 364 U.S. 502; on December 13, 1965, 382 U.S. 288; on March 3, 1969, 394 U.S. 11; and on December 20, 1971, No. 9, Original, 92 S.Ct. 544.

IT IS ORDERED, ADJUDGED AND DECREED:

1. With the exceptions provided by §5 of the Submerged Lands Act, 67 Stat. 32, 43 U.S.C. §1313 (1964 ed.), the State of Louisiana is entitled, as against the United States, to all the lands, minerals and other natural resources lying more than one foot landward of the lines described in paragraph 2 hereof and seaward of the ordinary low-water mark on the Louisiana shore, provided that the United States is not hereby required to relinquish any monies presently held by it

for off-set purposes solely in connection with accounting problems which have heretofore been deferred by the parties pending resolution of the larger disputes between them, without prejudice to the right of the State of Louisiana to contest either the substance of the United States' offset claims or its right to withhold monies in connection with them.

2. The lines referred to in paragraph 1 hereof are described by coordinates in the Louisiana Plane Coordinate System, South Zone, in two segments, as follows:

SEGMENT I

South and west of the Mississippi-Louisiana border to grid line Y = 158695, north of West Bay,

	X	Y
BEGINNING AT	2769357	575650
BY STRAIGHT LINE TO	2790258	526390
BY ARC CENTERED AT	2779032	512013
TO	2791385	525434
BY STRAIGHT LINE TO	2793119	523838
BY ARC CENTERED AT	2780766	510417
TO	2794594	522313
BY STRAIGHT LINE TO	2795887	520810
BY ARC CENTERED AT	2782059	508914
TO	2796579	519954
BY STRAIGHT LINE TO	2799209	516495
BY ARC CENTERED AT	2784689	505455
TO	2800441	514653
BY STRAIGHT LINE TO	2804270	508096
BY ARC CENTERED AT	2788518	498898
TO	2804495	507699
BY STRAIGHT LINE TO	2806028	504916
BY ARC CENTERED AT	2790051	496115
TO	2807014	502822
BY STRAIGHT LINE TO	2808653	498677
BY ARC CENTERED AT	2791690	491970
TO	2809151	497245

	X	Y
BY STRAIGHT LINE TO	2812250	486987
BY ARC CENTERED AT	2794789	481712
TO	2812519	485996
BY STRAIGHT LINE TO	2813932	480148
BY ARC CENTERED AT	2796202	475864
TO	2814262	478425
BY STRAIGHT LINE TO	2815269	471324
BY ARC CENTERED AT	2797209	468763
TO	2815426	469688
BY STRAIGHT LINE TO	2815673	464823
BY ARC CENTERED AT	2797456	463898
TO	2815697	463895
BY STRAIGHT LINE TO	2815696	458116
BY ARC CENTERED AT	2797455	458119
TO	2815657	456928
BY STRAIGHT LINE TO	2815269	450999
BY ARC CENTERED AT	2797067	452190
TO	2815171	449960
BY STRAIGHT LINE TO	2813957	440103
BY ARC CENTERED AT	2795853	442333
TO	2813809	439123
BY STRAIGHT LINE TO	2812678	432796
BY ARC CENTERED AT	2794722	436006
TO	2812419	431584
BY STRAIGHT LINE TO	2810957	425733
BY ARC CENTERED AT	2793260	430155
TO	2810699	424807
BY STRAIGHT LINE TO	2807854	415530
BY ARC CENTERED AT	2790415	420878
TO	2807572	414684
BY STRAIGHT LINE TO	2805322	408452
BY ARC CENTERED AT	2788165	414646
TO	2805227	408196
BY STRAIGHT LINE TO	2803786	404384
BY ARC CENTERED AT	2786724	410834
TO	2803319	403263
BY STRAIGHT LINE TO	2799845	395648
BY ARC CENTERED AT	2783250	403219
TO	2798971	393968
BY STRAIGHT LINE TO	2795394	387889
BY ARC CENTERED AT	2779673	397140
TO	2795311	387750
BY STRAIGHT LINE TO	2793560	384834
BY ARC CENTERED AT	2777922	394224
TO	2792249	382934
BY STRAIGHT LINE TO	2790814	381113
BY ARC CENTERED AT	2776487	392403
TO	2789360	379480

	X	Y
BY ARC CENTERED AT	2774670	390293
TO	2788262	378129
BY STRAIGHT LINE TO	2786553	375045
BY ARC CENTERED AT	2770599	383887
TO	2785045	372750
BY STRAIGHT LINE TO	2783942	371319
BY STRAIGHT LINE TO	2783792	371062
BY ARC CENTERED AT	2768031	380244
TO	2780548	366976
BY STRAIGHT LINE TO	2775735	360553
BY ARC CENTERED AT	2761138	371491
TO	2775111	359766
BY STRAIGHT LINE TO	2773031	357287
BY ARC CENTERED AT	2757465	366796
TO	2771721	355417
BY STRAIGHT LINE TO	2770633	354054
BY STRAIGHT LINE TO	2770505	353847
BY ARC CENTERED AT	2755015	363480
TO	2767788	350458
BY STRAIGHT LINE TO	2761994	344775
BY ARC CENTERED AT	2749221	357797
TO	2760703	343624
BY STRAIGHT LINE TO	2757791	341265
BY ARC CENTERED AT	2746309	355438
TO	2756022	339999
BY STRAIGHT LINE TO	2754136	338812
BY STRAIGHT LINE TO	2742173	323079
BY ARC CENTERED AT	2727653	334120
TO	2741983	322834
BY STRAIGHT LINE TO	2741182	321817
BY ARC CENTERED AT	2726852	333103
TO	2738042	318698
BY STRAIGHT LINE TO	2736381	317408
BY STRAIGHT LINE TO	2736060	316935
BY STRAIGHT LINE TO	2732627	311249
BY ARC CENTERED AT	2717012	320677
TO	2731416	309486
BY STRAIGHT LINE TO	2729640	307200
BY ARC CENTERED AT	2715236	318391
TO	2728702	306088
BY STRAIGHT LINE TO	2728099	305428
BY ARC CENTERED AT	2714633	317731
TO	2725197	302861
BY STRAIGHT LINE TO	2723888	301931
BY ARC CENTERED AT	2713324	316801
TO	2720770	300149
BY STRAIGHT LINE TO	2719218	299455
BY ARC CENTERED AT	2711772	316107

	X	Y
TO	2714238	298034
BY STRAIGHT LINE TO	2704480	294684
BY STRAIGHT LINE TO	2704099	293666
BY ARC CENTERED AT	2687014	300054
TO	2701338	288761
BY STRAIGHT LINE TO	2699382	286280
BY ARC CENTERED AT	2685058	297573
TO	2697436	284175
BY STRAIGHT LINE TO	2699302	266715
BY ARC CENTERED AT	2688235	252215
TO	2704468	260534
BY ARC CENTERED AT	2689305	250395
TO	2707507	251577
BY ARC CENTERED AT	2700735	234640
TO	2717908	240788
BY ARC CENTERED AT	2701500	252820
TO	2719022	237890
BY ARC CENTERED AT	2707635	223640
TO	2721632	235337
BY STRAIGHT LINE TO	2736873	228413
BY ARC CENTERED AT	2738320	210230
TO	2745585	226961
BY ARC CENTERED AT	2738938	209975
TO	2749646	224742
BY ARC CENTERED AT	2750755	206535
TO	2759837	222354
BY ARC CENTERED AT	2755325	204680
TO	2773229	201192
BY ARC CENTERED AT	2755178	203815
TO	2770763	194337
BY ARC CENTERED AT	2754100	186915
TO	2771780	191404
BY ARC CENTERED AT	2754263	186316
TO	2772100	182502
BY ARC CENTERED AT	2753885	183460
TO	2765449	169354
BY ARC CENTERED AT	2752470	182170
TO	2761213	166161
BY ARC CENTERED AT	2751045	181305
TO	2752202	163101
BY ARC CENTERED AT	2750586	181270
TO	2749611	163055
BY ARC CENTERED AT	2736662	175902
TO	2748316	161869
BY ARC CENTERED AT	2734720	174030
TO	2747824	161341
BY STRAIGHT LINE TO	2746249	159715
BY ARC CENTERED AT	2728153	162005

	X	Y
TO	2746094	158715
BY STRAIGHT LINE TO	2745156	153600
BY ARC CENTERED AT	2727215	156890
TO	2745054	153083
BY ARC CENTERED AT	2726951	150846
TO	2743622	143444
BY ARC CENTERED AT	2726105	148530
TO	2731258	131033
BY STRAIGHT LINE TO	2716731	112786
BY ARC CENTERED AT	2702461	124148
TO	2716719	112772
BY ARC CENTERED AT	2699435	118600
TO	2710698	104252
BY ARC CENTERED AT	2697850	117200
TO	2683320	106173
BY STRAIGHT LINE TO	2682980	106621
BY ARC CENTERED AT	2697510	117648
TO	2679799	113283
BY STRAIGHT LINE TO	2679589	114135
BY ARC CENTERED AT	2697300	118500
TO	2679155	116635
BY ARC CENTERED AT	2685325	133800
TO	2670977	122536
BY STRAIGHT LINE TO	2670552	122781
BY STRAIGHT LINE TO	2666743	124295
BY ARC CENTERED AT	2673482	141245
TO	2665719	124739
BY ARC CENTERED AT	2672315	141745
TO	2661428	127109
BY ARC CENTERED AT	2644940	134910
TO	2660589	125539
BY STRAIGHT LINE TO	2657484	120354
BY ARC CENTERED AT	2641835	129725
TO	2656150	118421
BY STRAIGHT LINE TO	2653860	115521
BY ARC CENTERED AT	2639545	126825
TO	2648682	111038
BY STRAIGHT LINE TO	2648610	110974
BY STRAIGHT LINE TO	2648531	110887
BY STRAIGHT LINE TO	2646419	107265
BY ARC CENTERED AT	2630660	116450
TO	2646250	106981
BY STRAIGHT LINE TO	2644270	103721
BY ARC CENTERED AT	2628680	113190
TO	2642494	101278
BY STRAIGHT LINE TO	2640182	98597
BY ARC CENTERED AT	2624995	108700
TO	2638408	96339

	X	Y
BY STRAIGHT LINE TO	2638210	96123
BY STRAIGHT LINE TO	2637530	95377
BY ARC CENTERED AT	2624045	107660
TO	2637471	95312
BY STRAIGHT LINE TO	2635351	93007
BY ARC CENTERED AT	2621925	105355
TO	2634923	92558
BY STRAIGHT LINE TO	2633653	91268
BY ARC CENTERED AT	2620655	104065
TO	2631973	89760
BY STRAIGHT LINE TO	2631344	89262
BY STRAIGHT LINE TO	2630156	87770
BY ARC CENTERED AT	2615885	99131
TO	2630068	87661
BY STRAIGHT LINE TO	2629389	86821
BY STRAIGHT LINE TO	2626027	82661
BY STRAIGHT LINE TO	2624340	80576
BY ARC CENTERED AT	2610160	92050
TO	2621555	77806
BY STRAIGHT LINE TO	2621180	77506
BY ARC CENTERED AT	2609785	91750
TO	2617996	75462
BY STRAIGHT LINE TO	2617391	75157
BY ARC CENTERED AT	2609180	91445
TO	2597416	77505
BY STRAIGHT LINE TO	2595526	79100
BY ARC CENTERED AT	2607290	93040
TO	2589664	97736
BY ARC CENTERED AT	2607455	93710
TO	2591541	102625
BY STRAIGHT LINE TO	2592751	104785
BY ARC CENTERED AT	2608665	95870
TO	2593838	106495
BY STRAIGHT LINE TO	2595167	108350
BY STRAIGHT LINE TO	2596041	109955
BY ARC CENTERED AT	2614270	110615
TO	2597233	117130
BY STRAIGHT LINE TO	2597210	155899
BY ARC CENTERED AT	2614790	160765
TO	2596949	156969
BY STRAIGHT LINE TO	2596342	158695
BY STRAIGHT LINE TO SHORE AT	2615450	157770

SEGMENT II

From the vicinity of Bayou Goreau to the vicinity

of Sabine Pass, west of grid line X = 2082361 and east of the Texas-Louisiana border,

	X	Y
BEGINNING AT	2082361	169358
BY STRAIGHT LINE TO	2081470	169553
BY ARC CENTERED AT	2085370	187372
TO	2076984	171174
BY ARC CENTERED AT	2077417	189409
TO	2071846	172040
BY STRAIGHT LINE TO	2070630	172430
BY ARC CENTERED AT	2076201	189799
TO	2064747	175603
BY STRAIGHT LINE TO	2063841	176334
BY ARC CENTERED AT	2075295	190530
TO	2059951	180668
BY ARC CENTERED AT	2071131	195080
TO	2058843	181599
BY ARC CENTERED AT	2062055	199555
TO	2057134	181991
BY STRAIGHT LINE TO	2053779	182931
BY ARC CENTERED AT	2058700	200495
TO	2053474	183019
BY STRAIGHT LINE TO	2052967	183053
BY STRAIGHT LINE TO	2051871	183006
BY ARC CENTERED AT	2051090	201230
TO	2050845	182991
BY STRAIGHT LINE TO	2048985	183016
BY ARC CENTERED AT	2049230	201255
TO	2048033	183054
BY STRAIGHT LINE TO	2044865	183262
BY STRAIGHT LINE TO	2041482	183446
BY ARC CENTERED AT	2042475	201660
TO	2037472	184119
BY STRAIGHT LINE TO	2033139	185355
BY STRAIGHT LINE TO	2032934	185387
BY ARC CENTERED AT	2035775	203405
TO	2029791	186174
BY STRAIGHT LINE TO	2027401	187004
BY ARC CENTERED AT	2033385	204235
TO	2026834	187211
BY STRAIGHT LINE TO	2023510	188491
BY STRAIGHT LINE TO	2020959	189327
BY ARC CENTERED AT	2026640	206660
TO	2019190	190010
BY STRAIGHT LINE TO	2016613	191163
BY STRAIGHT LINE TO	2015796	191414
BY ARC CENTERED AT	2021155	208850

	X	Y
TO	2013823	192148
BY STRAIGHT LINE TO	2010121	193773
BY ARC CENTERED AT	2017453	210475
TO	2007660	195086
BY STRAIGHT LINE TO	2006450	195856
BY ARC CENTERED AT	2016243	211245
TO	2002812	198903
BY STRAIGHT LINE TO	2001329	200516
BY STRAIGHT LINE TO	1998627	203119
BY STRAIGHT LINE TO	1996877	204647
BY ARC CENTERED AT	2008873	218388
TO	1994484	207177
BY STRAIGHT LINE TO	1993669	208223
BY ARC CENTERED AT	2008058	219434
TO	1992024	210737
BY STRAIGHT LINE TO	1991723	211291
BY STRAIGHT LINE TO	1991392	211653
BY STRAIGHT LINE TO	1987527	215292
BY ARC CENTERED AT	2000030	228573
TO	1985881	217061
BY STRAIGHT LINE TO	1984419	218858
BY ARC CENTERED AT	1998568	230370
TO	1982726	221329
BY STRAIGHT LINE TO	1981279	223864
BY ARC CENTERED AT	1987818	240892
TO	1975782	227186
BY ARC CENTERED AT	1987371	241272
TO	1972054	231367
BY STRAIGHT LINE TO	1937446	246505
BY ARC CENTERED AT	1933172	264238
TO	1920501	251117
BY ARC CENTERED AT	1924399	268936
TO	1916888	252314
BY ARC CENTERED AT	1914373	270380
TO	1900989	257987
BY ARC CENTERED AT	1896827	275747
TO	1895100	257588
BY ARC CENTERED AT	1882306	270590
TO	1867537	259884
BY ARC CENTERED AT	1872418	277460
TO	1858534	265630
BY ARC CENTERED AT	1843467	275912
TO	1848729	258447
BY ARC CENTERED AT	1835344	270839
TO	1841538	253682
BY ARC CENTERED AT	1834019	270301
TO	1817077	263541
BY ARC CENTERED AT	1833527	271423

	X	Y
TO	1815531	274401
BY ARC CENTERED AT	1820994	291804
TO	1808997	278064
BY ARC CENTERED AT	1809845	296285
TO	1792971	289357
BY ARC CENTERED AT	1791584	307545
TO	1773422	305849
BY ARC CENTERED AT	1783067	321331
TO	1771284	307407
BY ARC CENTERED AT	1782391	321876
TO	1769317	309156
BY ARC CENTERED AT	1778769	324757
TO	1763172	315299
BY ARC CENTERED AT	1763190	333540
TO	1762008	315338
BY STRAIGHT LINE TO	1761238	315388
BY ARC CENTERED AT	1762420	333590
TO	1761004	315404
BY ARC CENTERED AT	1758630	333490
TO	1751585	316665
BY STRAIGHT LINE TO	1749527	316597
BY STRAIGHT LINE TO	1745678	316238
BY STRAIGHT LINE TO	1741757	315745
BY STRAIGHT LINE TO	1738098	314155
BY ARC CENTERED AT	1730831	330886
TO	1737269	313819
BY STRAIGHT LINE TO	1733962	312572
BY STRAIGHT LINE TO	1733065	312110
BY ARC CENTERED AT	1724713	328326
TO	1729983	310863
BY STRAIGHT LINE TO	1729557	310735
BY STRAIGHT LINE TO	1727510	309315
BY ARC CENTERED AT	1717114	324303
TO	1726647	308752
BY STRAIGHT LINE TO	1721463	305574
BY STRAIGHT LINE TO	1721351	305467
BY ARC CENTERED AT	1708756	318661
TO	1715565	301739
BY STRAIGHT LINE TO	1713599	300948
BY ARC CENTERED AT	1706790	317870
TO	1711471	300240
BY STRAIGHT LINE TO	1707761	299255
BY ARC CENTERED AT	1703080	316885
TO	1706765	299020
BY STRAIGHT LINE TO	1704365	298525
BY ARC CENTERED AT	1700680	316390
TO	1702465	298237
BY STRAIGHT LINE TO	1698144	297812

	X	Y
BY ARC CENTERED AT	1696359	315965
TO	1696239	297725
BY STRAIGHT LINE TO	1692448	297750
BY ARC CENTERED AT	1692568	315990
TO	1691302	297793
BY STRAIGHT LINE TO	1688714	297973
BY ARC CENTERED AT	1689980	316170
TO	1687709	298071
BY STRAIGHT LINE TO	1684999	298411
BY ARC CENTERED AT	1687270	316510
TO	1683393	298686
BY STRAIGHT LINE TO	1674668	300584
BY ARC CENTERED AT	1678545	318408
TO	1674182	300697
BY STRAIGHT LINE TO	1670983	301485
BY ARC CENTERED AT	1675346	319196
TO	1670472	301619
BY STRAIGHT LINE TO	1666144	302819
BY ARC CENTERED AT	1671018	320396
TO	1665216	303103
BY STRAIGHT LINE TO	1663698	303612
BY STRAIGHT LINE TO	1662427	303960
BY STRAIGHT LINE TO	1661678	304151
BY STRAIGHT LINE TO	1659494	304616
BY ARC CENTERED AT	1663290	322457
TO	1659476	304620
BY STRAIGHT LINE TO	1658120	304910
BY ARC CENTERED AT	1658887	323134
TO	1656354	305070
BY ARC CENTERED AT	1655896	323305
TO	1652650	305356
BY STRAIGHT LINE TO	1650184	305802
BY ARC CENTERED AT	1653430	323751
TO	1648635	306152
BY STRAIGHT LINE TO	1647051	306584
BY ARC CENTERED AT	1649308	324684
TO	1643681	307333
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BY STRAIGHT LINE TO	1627130	309807
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TO	1613148	311491
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TO	1609960	311828

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TO	1591479	315235
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TO	1585928	316477
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TO	1575360	319606
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TO	1551769	328511
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TO	1546081	330642

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TO	1541402	333094
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BY STRAIGHT LINE TO	1328041	388886
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BY STRAIGHT LINE TO	1256845	382176
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	X	Y
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TO	1246626	380401
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BY STRAIGHT LINE TO	1238894	378640
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TO	1233981	376994
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BY ARC CENTERED AT	1219065	390227
TO	1227371	373987
BY STRAIGHT LINE TO	1226185	373381
BY STRAIGHT LINE TO	1227214	367277
BY ARC CENTERED AT	1209227	364245
TO	1214918	346915
BY STRAIGHT LINE TO	1213304	346385

3. The United States is not entitled, as against the State of Louisiana, to any interest in the lands, minerals or natural resources described in paragraph 1 hereof, with the exceptions provided by Section 5 of the Submerged Lands Act, 67 Stat. 32, 43 U.S.C. Sec. 1313.

4. Pending further order of the Court or agreement of the parties, leases of lands lying partly within the area above described and partly seaward of that area shall be in no way affected by anything contained in this decree, and revenues derived from such leases shall remain subject to impoundment under the Interim Agreement of October 12, 1956, as amended, in the same manner as heretofore.

5. All sums now held impounded by the State of

Louisiana or the United States under the Interim Agreement of October 12, 1956, as amended, derived from leases of lands wholly within areas referred to in paragraph 1 hereof are hereby released to the State of Louisiana absolutely, and the State of Louisiana is relieved of any obligation under said agreement to impound any sums hereafter received by it from leases of lands lying wholly within said area and the State of Louisiana is and shall be entitled to lease lands wholly within said areas and to directly receive any sums hereafter derivable therefrom.

6. Nothing in this decree or the proceedings leading to it shall prejudice any rights, claims or defenses of the United States or the State of Louisiana with respect to the remainder of the disputed area or past or future payments derived therefrom or attributable thereto or the operation of the Interim Agreement of October 12, 1956, as amended, with respect to such remaining disputed area and payments. Nor shall anything in this decree nor in the proceedings leading to it prejudice any rights, claims or defenses of the State of Louisiana as to its maritime lateral boundaries with the States of Mississippi and Texas, which boundaries are not at issue in this litigation.

7. The Court retains jurisdiction to entertain such further proceedings, enter such orders and issue such writs as may from time to time be deemed necessary or advisable to give proper force and effect to its previous orders or decrees herein or to this decree or to effectuate the rights of the parties in the premises.

No. 9, Original

In the Supreme Court of the United States

OCTOBER TERM, 1972

UNITED STATES OF AMERICA,

Plaintiff,

v.

STATE OF LOUISIANA, ET AL.

MEMORANDUM IN SUPPORT OF THE MOTION BY THE STATE OF LOUISIANA FOR ENTRY OF A SUPPLEMENTAL DECREE AS TO THE UNITED STATES OF AMERICA (NO. 4.)

STATEMENT

On March 26, 1956, the Court allowed the United States to file this suit to define the seaward limit of the area quitclaimed to Louisiana by the Submerged Lands Act, 67 Stat. 29, 43 U.S.C. 1301-1315. *United States v. Louisiana*, 350 U.S. 990. Difficulties arose over administration of the disputed area *pendente lite*, and on June 11, 1956, the Court enjoined further leasing or drilling by either party unless done pursuant to an agreement to be filed with the Court. *United States v. Louisiana*, 351 U.S. 978. Such an agreement was executed and filed on October 12, 1956, and leasing in

parts of the disputed area has subsequently been conducted in accordance with it. That agreement is set out in Appendix "A", *infra*, pp. 31-53.

The agreement authorizes leasing in portions of the disputed area, chiefly by the United States, and requires proceeds derived therefrom by either party to be held impounded "until title to the area affected is determined" (Paragraph 9). In the portion of the disputed area designated in the agreement as "Zone No. 2" and lying relatively close to the Louisiana shores, it is provided that "[n]o new leases shall be granted by either party . . ." and that ". . . the injunction against new leasing shall continue to be effective as to that area," except when upon the joint determination of the United States Secretary of the Interior and the State Mineral Board of Louisiana new leases are ". . . necessary to prevent drainage of unleased lands . . ." (Paragraph 13). Upon determination of title as to any area, either party holding impounded proceeds of an area awarded to the other party is required to pay those proceeds to the other party (Paragraph 9), and the agreement terminates as to that area (Paragraph 15).

On May 31, 1960, the Court held that the Submerged Lands Act quitclaimed to Louisiana only three miles from its coastline, rather than the three leagues claimed by the State. *United States v. Louisiana*, 363 U.S. 1. On May 17, 1965, in *United States v. California*, 381 U.S. 139, the Court ruled on various issues regarding the effect of the Submerged Lands Act. In the light of those decisions the United States, after

consultation with counsel for Louisiana, moved the Court on November 23, 1965, for entry of a supplemental decree awarding to each of the parties certain areas as to which no further claim could be asserted by the other party consistent with the decisions referred to. Louisiana answered but did not oppose that motion, and the proposed decree was entered on December 13, 1965. *United States v. Louisiana*, 382 U.S. 288.

On cross-motions for entry of a second supplemental decree to establish the precise limit of the State's submerged lands, the Court issued an opinion on March 3, 1969, deciding many of the legal questions, but without attempting to determine any precise line. *United States v. Louisiana*, 394 U.S. 11, petition for rehearing denied, April 21, 1969 394 U.S. 994. On May 19, 1969, the Court appointed Walter P. Armstrong, Jr., as Special Master, to consider the remaining legal and factual issues and report recommendations consistent with the Court's opinion. *United States v. Louisiana*, 395 U.S. 901. The Special Master held many weeks of hearings for the taking of evidence, but trial briefs have not yet been filed nor argument scheduled. Under the schedule fixed by the Special Master with agreement of both parties simultaneous opening and reply briefs cannot be completed before the end of this year. Moreover, the Special Master has stated his willingness to allow surrebutal briefs if desired by either party. The briefs will likely be followed by oral argument. Then he must deliberate upon a boundary and decide a large number of issues relating to more than twenty years of changing coastline

on a year-by-year basis, involving large areas of great value with more than 6,000 pages of verbal testimony and thousands of items of documentary, cartographic, engineering, and other technical evidence. His decision will then be submitted to this Court, with the delays normally attendant upon resolution of such controversy, or as may arise between the parties with respect to any such report.

In the proceedings before the Special Master, the United States submitted certain Exhibits which contain a description of both the landwardmost coastline contentions of the United States and the three-mile projection therefrom which would mark the landwardmost claims of the United States. On the basis of the United States' initial submissions in this regard and over the objection of the State of Louisiana, the Special Master ordered the State of Louisiana to submit a description of a line seaward of which it could make no claim consistent with the Court's opinion of March 3, 1969. On December 20, 1971 the Court, rejecting every objection which the State of Louisiana raised to the entry of a new supplemental decree, issued Supplemental Decree No. 3 (so numbered to avoid confusion with the proposed Supplemental Decree No. 2, which had never been entered). *United States v. Louisiana*, 92 S.Ct. 544. This Decree recognized the United States' exclusive rights to explore the area of the Continental Shelf lying more than one foot seaward of the line described by Louisiana and to exploit the natural resources thereof.

The State of Louisiana now prays that the Court

enter a supplemental decree recognizing its exclusive right to explore and exploit the submerged lands lying more than one foot landward of portions of the line described by the United States as the three-mile projection from its coastline contentions. In the proceedings before the Special Master, the United States did submit an Exhibit in addition to those discussed *supra*, wherein it set forth a coastline description (identical to its earlier description except for some petty changes at the mouths of certain bayous or coves) without, however, describing the three-mile projection therefrom. This failure to describe the three-mile projection therefrom is explicable on the grounds that the coastline changes make no significant difference in the three-mile projections. Nevertheless, segments of the coastline described in the later Exhibit were identical to segments described in the earlier Exhibits, hence the three-mile projected line is necessarily identical for those segments. The lines described in Proposed Supplemental Decree No. 4, *infra*, are only the three-mile projections from the line described in this later Exhibit, United States Exhibit 384, for segments where the coastline described therein is identical to that described in the earlier United States Exhibits, with minor exceptions which were proposed by the United States and accepted by Louisiana to clarify certain technical description details. Thus, with the minor exceptions noted, lines described in the proposed decree are the three-mile projections which the United States itself submitted and admitted before the Special Master appointed by this Court were the landwardmost lines

consistent with the Court's opinion in the *Louisiana Boundary Case* of March 3, 1969, with the addition of lateral boundary descriptions also lying shoreward of the United States' claims. The State of Louisiana without prejudice to its other claims and rights has limited its motion for a proposed decree to those areas where the United States itself has already calculated a three-mile projection, rather than risk the delay which might arise from possible disagreement over significance of technical matters which pose no problem of substance.

In further explanation of the descriptions employed in the decree, Louisiana points out that on the Mississippi and Texas borders, the decree makes plain that it shall be without prejudice to Louisiana's lateral boundary claims with its neighboring states. Since the decree employs a line which the Federal Government has asserted is a boundary between Federal and Louisiana rights, nothing in the Motion or decree is in anyway intended to interpret or affect lateral boundary questions.

Additionally, in Segment 1, in order to avoid dispute as to how the area adjudicated to the State lying landward of the offshore boundary should be determined, an arbitrary closure line from the offshore coordinate position X = 2596342, Y = 158695 was drawn by straight line to the mainland point X = 2615450, Y = 157770, as a result of consulation between Federal and State technical experts. Similar administrative agreement on a specific closure to shore was deemed unnecessary for Segment 2 because the

geographic facts there were less susceptible to misunderstanding between the parties.

At present, the United States claims it may hold impounded a sum of money derived from some of the areas which Louisiana seeks to clear its title to, but, more important, Louisiana seeks this decree because of its calculation that more than sixty square miles of submerged lands to which it is entitled cannot be effectively developed for oil and natural gas while they remain subject to the Court's injunction of more than sixteen years ago. Since the time that injunction issued, a serious natural gas shortage has developed for the State and Nation and financial pressures on the State of Louisiana have substantially increased owing to its growing population and the depletion of its petrochemical reserves. No reason remains in Law or Equity for the continuance of the injunction with respect to the areas described in proposed Supplemental Decree No. 4.

ARGUMENT

The purpose of this motion is to secure a decree adjudicating the rights of the State of Louisiana in areas of Submerged Land to which the United States admits that it can make no claim consistent with the Court's opinion of March 3, 1969, 394 U.S. 11; to terminate the impoundment of revenues derived from the leases of lands lying wholly within these areas; and to terminate the Court's injunction of June 11, 1956 with respect to the exploration and exploitation of these areas by Louisiana. The relief that the State of

Louisiana seeks by this motion might be described as interim relief, as it is in advance of a complete and final determination of the case. Louisiana has in the past strongly resisted burdening the Court with a piecemeal approach to the resolution of the dispute between it and the United States and would not have filed this motion at this time in the absence of strong and compelling reasons. But the law under which the Court granted relief to the United States in December 1971 is the same as that which we invoke and the equitable considerations in favor of Louisiana's position are even more weighty.

The United States sought Supplemental Decree No. 3 to clear its title to certain "impounded" funds which it had the capacity to use and control under the terms of the Interim Agreement of 1956. The State of Louisiana seeks to clear its title to areas of submerged lands quitclaimed to it by Congress of which it has a substantial, impaired capacity of use and control. This impairment results in a diminished supply of oil and gas to both State and Nation. No reason remains why the Court's injunction should remain effective with respect to areas to which the United States has admitted it has no claim. We cannot reasonably expect that the decision-making process involved in this highly complex case can produce a definitive decision without substantial delay which would be harmful to both Louisiana and the people of the United States as a whole.

We believe that our motion presents no debatable issue of law or fact. With respect to impounded sums, we limit our motion to those derived wholly within

submerged areas to which the United States admits it has no claim. Like the United States, we do not seek relief at this time with respect to revenues derived from "split leases," those lying partially within areas to which the United States makes claim and partially within areas to which the United States can make no further claim. The United States is further protected by the terms of the decree with respect to its off-set claims. Unlike the United States, the State of Louisiana will not derive clear title to an enormous sum of money merely by the granting of the decree, partly because the area involved is relatively small, partly because the terms of the Interim Agreement of 1956 into which the State entered to reopen the development of oil and gas off its shores did not give to the State a substantial right to develop the area in question, as was the case with respect to the areas which the United States secured by Supplemental Decree No. 3. But the granting of the decree will have the effect of opening up to development a substantial area of potential petroleum production and ending the economic waste caused by the legal obstacle to the development of oil reserves in relatively shallow areas.

Because the technical details have been fully worked out between the parties, it is not expected that any opposition will be filed by the United States and there is now no need to suggest any extension of time for response.

CONCLUSION

For the foregoing reasons, Louisiana asks that the

Court enter a supplemental decree in the form submitted herewith.

Respectfully submitted,

WILLIAM J. GUSTE, JR.
Attorney General.

PAUL M. HEBERT,
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W. THOMAS TETE,
Special Assistant Attorneys General.

State of Louisiana,
State Capitol,
Baton Rouge, Louisiana 70804.

By: /s/ William J. Guste Jr.

August 1972.

APPENDIX "A"

AGREEMENT BETWEEN UNITED STATES OF AMERICA AND STATE OF LOUISIANA PURSUANT TO SECTION 7 OF THE OUTER CONTINENTAL SHELF LANDS ACT AND ACT 38 OF THE LOUISIANA LEGISLATURE OF 1956

WHEREAS, there is a controversy between the United States of America, hereinafter referred to as the United States, and the State of Louisiana, hereinafter referred to as the State, as to whether certain submerged lands in the Gulf of Mexico are owned by the State of Louisiana or whether such submerged lands are owned by the United States; and

WHEREAS, on June 11, 1956, the Supreme Court of the United States issued an order in the case entitled *United States of America* v. *State of Louisiana*, Original No. 15, October Term 1955, which provided among other things as follows:

> "It is further ordered that the State of Louisiana and the United States of America are enjoined from leasing or beginning the drilling of new wells in the disputed tidelands area pending further order of this court unless by agreement of the parties filed here."

and,

WHEREAS, Section 7 of the Outer Continental Shelf Lands Act of August 7, 1953 (67 Stat. 462), hereinafter referred to as the Act, authorizes the Secretary of the Interior, with the concurrence of the Attorney General of the United States, to negotiate and enter into agreements with the States respecting operations under existing mineral leases and payment

and impounding of rents, royalties and other sums payable thereunder, and respecting the issuance or non-issuance of new mineral leases pending the settlement or adjudication of the controversy; and

WHEREAS, the State of Louisiana, in Act 38 of the Louisiana Legislature of 1956, in recognition of the existence of the aforesaid controversy and of the said action of the Supreme Court of the United States, confers authority on the State Mineral Board, with the concurrence of the Attorney General of Louisiana, to negotiate and enter into agreements or stipulations for and on behalf of the State with the United States, respecting operations under any present or future mineral leases on the area in controversy, or the deposit in escrow or impounding of bonuses, rents, royalties and other sums payable thereunder pending the settlement or adjudication of the controversy; said act also providing for the ratification by the State of Louisiana of any mineral lease covered by any agreement entered into pursuant to its provisions, subject to compliance with its requirements; and

WHEREAS, the parties hereto agree that it is to the best interest of the United States and the State of Louisiana that the drilling of new wells be commenced and that, in certain instances, provision for leasing be made in the disputed area; and

WHEREAS, the United States of America and the State of Louisiana desire to provide for the impoundment of certain bonuses, rentals, royalties and other sums heretofore or hereafter payable under mineral leases in the disputed area, pending the final settle-

ment or adjudication of the said controversy, and thereafter for the validation or recognition of outstanding leases issued by either party.

NOW, THEREFORE, the United States of America and the State of Louisiana, by and through the Secretary of the Interior and the State Mineral Board, respectively, and with the concurrence of the Attorneys General of the United States and of the State of Louisiana, stipulate and agree as follows:

1

No definition, agreement or provision hereof shall be construed to waive or prejudice in any way any right or claim which either party now has or may hereafter be determined to have in and to any or all of the area referred to herein as the area in dispute, nor shall any provision hereof be the basis for questioning, prejudicing or waiving in any manner any right, interest, claim or demand whatsoever of either party now pending in the proceedings above referred to, or otherwise; and as to the State of Louisiana, nothing herein contained shall be construed in any manner as affecting the claim of the State of Louisiana to its historic boundaries as redefined in Act 33 of the Louisiana Legislature of 1954, or as otherwise fixed or defined, or the claim of the State of Louisiana to property and mineral rights within its historic boundaries.

2

The submerged lands in the Gulf of Mexico are divided for the purposes hereof into four zones as

shown on the plat annexed hereto as Exhibit "A", which reflects as a base line the so-called "Chapman-Line". No inference or conclusion of fact or law from the said use of the so-called "Chapman-Line" or any other boundary of said zones is to be drawn to the benefit or prejudice of any party hereto or of any third party. It is recognized that the so-called "Chapman-Line" has not been actually surveyed and that while the limits of each zone as reflected on the annexed Exhibit "A" shall be binding upon the parties for the purposes hereof, said specific limits remain to be finally fixed and determined either by agreement of the parties or otherwise. The aforesaid zones are as follows:

(a) Zone No. 1 comprises the area lying seaward of and within three (3) geographical miles of the so-called "Chapman-Line".

(b) Zone No. 2 comprises the area which is bounded landward by the seaward boundary of Zone No. 1 and which is bounded seaward by a line three (3) Marine Leagues from the so-called "Chapman-Line".

(c) Zone No. 3 comprises the area bounded landward by the seaward boundary of Zone No. 2 and bounded seaward by the seaward boundary line of the State of Louisiana as fixed and redefined by Act 33 of the Louisiana Legislature of 1954.

(d) Zone No. 4 comprises all that portion of the Continental Shelf lying seaward from the seaward line of Zone No. 3.

3

Notwithstanding the existence of a dispute or controversy as to any other area, the disputed area as hereinafter referred to, sometimes referred to as the disputed tidelands area, or the area affected by the aforesaid controversy, is defined, for the purposes of this agreement, to be the area comprising Zones 2 and 3, as above defined and shown on the Exhibit "A".

4

As to any leases heretofore granted by either party, this agreement shall be applicable only to any oil, gas or other mineral lease which was on June 11, 1956, and is on the effective date hereof in full force and effect, either by virtue of its terms or as the result of a suspension or extension as hereinafter referred to in Paragraph 11(b)(1) and (3), either as to the United States, the State, or both, as to oil, gas or other minerals, insofar as any such lease relates to lands within the disputed area. This agreement shall also be applicable to any lease as to which, on the effective date hereof, all requirements for the validation thereof under Section 6 of the Act have been complied with, but which has not yet been validated under said Section 6.

5

The United States and the State of Louisiana hereby consent to the drilling of new wells in the disputed area on any lease or part thereof to which this agreement is applicable, by the lessee or approved operator of such lease, provided that the lessee shall

have complied with the following requirements:

(a) Such lessee shall have executed the waiver and consent agreement annexed hereto as Exhibit "B", in which it shall waive (under certain conditions set forth therein) as to such lease or part thereof, any claim based on ownership of the leased area by the State of Louisiana to a refund of any sums impounded by the United States under Paragraph 7 hereof, which it has or may have during the life of this agreement against the United States under Section 10 of the Act, or under any agreement entered into under Section 7 of the Act, and in which such lessee consents to the provisions of this agreement with respect to the impoundment and release of impounded funds.

(b) Such lessee shall also have entered into a separate agreement with the State of Louisiana on one of the six forms annexed hereto as Exhibits "C", "D", "E", "F", "G" and "H". Exhibit "C" is applicable to any producing lease or lease containing shut-in wells granted originally by the State and validated under Section 6 of the Act. Exhibit "D" is applicable to any of the same type of producing and shut-in well leases granted by the United States under Section 8 of the Act. Exhibit "E" is applicable to any non-productive lease granted originally by the State of Louisiana and validated under Section 6 of the Act. Exhibit "F" is applicable to any non-productive lease granted originally by the United States under Section 8 of the Act. Exhibit "G" is applicable to any of the leases granted by the State since May 22, 1953. Exhibit "H" is applicable to any lease granted originally by the State of

Louisiana under which payments have been made both to the United States and the State of Louisiana, so as to maintain the lease in effect as to both parties. If there is a need for variation to meet a factual situation relating to any lease which, in the opinion of both the State of Louisiana and the lessee, requires the insertion of special provisions in the form of agreement otherwise applicable to said lease, such special provisions may be inserted in said agreement by mutual consent of the State and the lessee; provided that said agreement otherwise incorporates the same basic requirements of the lessee. As to the leases affected by the two unitization agreements specifically listed in paragraph 12(b) and as to the leases affected by the agreements referred to in paragraph 11(b)(3), the form of agreement otherwise applicable to such leases shall be amended so as to refer specifically to such agreement and give recognition thereto.

The waiver and consent agreement and executed copies of the separate agreement with the State of Louisiana shall be filed in duplicate with the United States Oil and Gas Supervisor, United States Geological Survey, in New Orleans, Louisiana, and in duplicate with the Secretary of the State Mineral Board, State Capitol, Baton Rouge, Louisiana; and upon such filing, the consent to drill herein granted shall, without further action by any of the parties, be effective. However, the consent to the drilling of new wells contained in this Paragraph 5 shall not relieve any lessee of the obligation to comply with all regulatory provisions relating to drilling and production.

The drilling of any wells on a unitized area will not be permitted until the waiver and consent agreement and a separate agreement with the State, as hereinabove provided for, shall have been executed by the lessee for each lease committed to that unit.

6

Notwithstanding any adverse claims by the other party hereto, the State of Louisiana as to any area in Zone No. 1, and the United States as to any area in Zone No. 4, shall have exclusive supervision and administration, and may issue new leases and authorize the drilling of new wells and other operations without notice to or obtaining the consent of the other party.

7

(a) Subject to the exclusions of subparagraph (d) hereof, the United States agrees to impound in a separate fund in the Treasury of the United States a sum equal to all bonuses, rentals, royalties and other payments heretofore or hereafter paid to it for and on account of each lease, or part thereof, in Zones 2 and 3, being the disputed area, if, as and when each such lease is made subject to the provisions of this agreement by the lessee thereof complying with the provisions of Paragraph 5 hereof.

(b) The State of Louisiana, since May 22, 1953, has granted certain mineral leases which affect submerged lands located in the disputed area. The parties take cognizance that, under the laws of the State of Louisiana, the State of Louisiana cannot impound sums heretofore paid to it with respect to such leases. Accordingly, in order that any lessee desirous of obtain-

ing consent for the drilling of a well on any such lease may satisfy the requirement of the United States that such payments be impounded, the State of Louisiana agrees, with respect to any such lease, and as provided in Exhibit G hereof, (1) to require of any lessee seeking a drilling permit to drill any portion of the leased premises lying within the disputed area to deposit in a separate fund for impoundment in the Treasury of the State of Louisiana a sum equal to all bonuses, rentals, royalties and other payments applicable to the disputed area theretofore paid to the State by the lessee, and to hold the amount so deposited as an impounded fund in its treasury, subject to the provisions hereof, and (2) to impound all payments hereafter received by it from the lessees of any of the said leases issued by the State in the disputed area since May 22, 1953, which are made subject to this agreement.

(c) As to any lease granted originally by the State of Louisiana under which payments have been made both to the United States and the State of Louisiana, so as to maintain the lease in effect as to both parties, it is agreed that (a) as to any such lease which is not now producing oil, gas or other minerals, lessee shall be required to continue, until further agreement of the parties, or until the final settlement or adjudication of the controversy, to make such dual rental payments, including payments based on shut-in wells; but in the event production of minerals is commenced, lessee shall deposit single royalty payments based upon such production for impoundment as provided for in subparagraph (e) hereof; (b) with respect to any well or

wells now producing minerals from any such lease with respect to which royalty has been paid both to the State of Louisiana and to the United States, the lessee shall be required to continue, until further agreement of the parties, or until final settlement or adjudication of the controversy, to make such dual royalty payments under the terms of the applicable leases, subject to the provisions of any applicable agreement heretofore entered into between such lessee and the State of Louisiana, or between such lessee and the United States. No such royalty paid to the State of Louisiana on oil, gas and other minerals produced from any such well shall be subject to impoundment as herein provided for. However, in the event production is obtained from any additional well or wells which are not now producing minerals, single royalty payments based upon the production from any such well or wells shall be deposited for impoundment as provided for in subparagraph (e) hereof.

(d) There shall be excluded from the obligations of the parties in this paragraph 7 to impound separately (1) the dual rental payments, including payments based on shut-in wells, and dual royalty payments referred to in sub-paragraph (c) hereof, made under any lease, including such dual payments made under any agreement entered into under Section 7 of the Act, and (2) any rentals paid to the United States for that portion of the submerged lands affected by any lease granted originally by and valid as to the State of Louisiana extending into the disputed area when production is being obtained from that portion of the leased premises lying in Zone No. 1.

(e) All sums subject to impoundment which are payable hereafter under the terms of the leases granted by the State of Louisiana, as referred to in subparagraph (b) hereof, shall be paid by the lessee to the State of Louisiana for impoundment as hereinabove provided. All sums subject to impoundment which may hereafter be payable by any lessee under the terms of any other lease made subject to the provisions hereof shall be paid by the lessee to the United States for impoundment as herein provided for.

Such payments to the State of Louisiana shall be made to the Register, State Land Office, or the official or agency then designated by Louisiana law to receive such payments, and deposited in a separate fund for impoundment in the Treasury of the State of Louisiana.

Such payments to the United States shall be made to the Oil and Gas Supervisor, United States Geological Survey, New Orleans, Louisiana, or the official or agency then designated by the law of the United States to receive such payments, for impoundment in a separate fund in the Treasury of the United States.

(f) In the event that only a part of a lease is within the disputed area, the sums to be impounded under this paragraph 7 shall be determined on a prorata basis as hereinafter provided for in Paragraph 10.

(g) The United States and the State of Louisiana agree that all such payments made pursuant to subparagraph (e) above, if otherwise made in accordance with the provisions of each such lease and this agreement, shall, subject to the provisions of Paragraph

11(a) hereof, be considered as payments in compliance with the lease affected.

8

Each of the parties, promptly after the effective date hereof, and in any event within 90 days from such effective date, shall furnish to the other party a statement of all sums which are subject to impoundment by each party under the terms hereof. Such statement shall be made separately with respect to each lease or portion thereof within the disputed area and shall reflect the amounts theretofore received and the nature and source of the funds so received. Thereafter the parties shall cooperate in making available to each other on a monthly basis a statement with respect to each such lease, so that each party shall have a current record of the amounts received with respect to each such lease and the nature and source thereof.

9

Except as to claims under Section 10 of the Act with respect to sums which would not be due to the State of Louisiana even if the question of ownership of the leased land is determined in the State's favor, the impounded funds provided for herein shall be held intact, in a separate account for each lease or portion thereof affected, by each party until title to the area affected is determined. Whereupon, except as otherwise herein provided:

(a) Any funds derived from an area finally determined to be the property of the United States shall be taken from the separate and impounded fund in the

Treasury of Louisiana provided for herein and paid to and received in the Treasury of the United States as provided by law.

(b) Any funds derived from an area finally determined to be owned by the State of Louisiana (except the funds referred to in sub-paragraph (c) hereof) shall be taken from the separate and impounded fund in the Treasury of the United States provided for herein, paid to the Register, State Land Office, State of Louisiana, or the official or agency then designated by Louisiana law to receive such payments, and shall thereafter be received in the Treasury of the State of Louisiana, as provided by law.

If, with respect to any lease, the lessee shall have paid the State of Louisiana all or any part of the amount of the impounded fund, prior to the payment of such impounded fund to the State of Louisiana by the United States, the amount of such payment so made by the lessee shall not be paid to the State, but shall be subject to the provisions of sub-paragraph (d) hereof.

(c) Any funds representing additional royalty paid to the United States under Section 6(a)(9) of the Act which are impounded pursuant to Paragraph 7(a) hereof, shall, on determination that such funds are derived from an area determined to be owned by the State of Louisiana, be taken from the separate and impounded fund in the Treasury of the United States provided for herein and paid to the Collector of Revenue of the State of Louisiana, or the official or agency then designated by Louisiana law to receive such pay-

ments, and shall be credited by the State only against taxes which may be due and payable and not theretofore paid to the State under the terms of the agreement between the State and the lessee of such lease or leases from which such funds were derived; and any of such funds in excess of the credit required to make the State whole in respect to such taxes shall be released by the State to such lessee or lessees.

(d) In these cases (1) where the lessees have not complied with Paragraph 5 of this agreement, or (2) where dual payments have been made both to the United States and the State of Louisiana, including such dual payments made under any agreement entered into under Section 7 of the Act, or (3) where the lessee shall have made payments to the State of Louisiana under any lease of all or any part of the impounded funds prior to the time that the impounded funds are paid by the United States to the State of Louisiana, or (4) where rentals have been paid to the United States during the period that production is being obtained on that part of the same lease granted by and valid as to the State of Louisiana, and lying in Zone No. 1, or (5) finally as to any lease or part thereof determined to be owned by the United States, where sums have been paid for impoundment in excess of the amount that lessee was lawfully required to pay under such lease, refunds, if any, from the United States shall be made to the lessees pursuant to applicable law.

(e) Payments of impounded funds hereunder shall be made in full within seventy-five (75) days

after the date of the applicable determination, unless by agreement of the parties a later date is specified.

(f) The provisions of this paragraph shall apply separately to each lease or that portion thereof in the disputed area.

10

In the event only a portion of the area affected by any lease lies within the disputed area, then until the final settlement or adjudication of the controversy, all sums which are to be impounded by any party under the terms hereof shall be pro-rated on an acreage basis as to bonuses and rentals; and as to royalties, the amount shall be computed by attributing to the area in dispute royalties from each well bottomed under the area in dispute. If, however, in connection with royalty payments, any well or wells are bottomed under a unit theretofore validly established which includes submerged lands lying within the area of dispute, the royalty from such well or wells shall be allocated to each lease or portion thereof lying within the area of dispute, in the proportion that the number of acres covered by such lease and participating in the production from any such well or wells, in accordance with the terms of the unit agreement, bears to the total number of acres so participating in such production.

However, as to the unit for oil and gas dated October 27, 1954, approved December 22, 1954, of which Continental Oil Company is the operator, comprising 51,579.78 acres, including Blocks 38 through 41, 46 through 49, 51, 52, and the west half of 53 in the Grand Isle area and the unit for oil and gas dated

November 21, 1955, approved January 16, 1956, of which Continental Oil Company is the operator, comprising 27,997.605 acres, including Blocks 42, 43, the north half of 44, the south half of 32, 69, 70, the south half of 67, and the south half of 68, in the West Delta-Grand Isle area, until such time as the United States and the State shall agree on another method of allocation, the allocation provisions of the two said unit agreements shall be disregarded, and there shall be attributed to each lease or portion thereof in the disputed area the royalties from the well or wells bottomed under such lease or portion thereof.

In the event of a final determination that either party hereto owns only a portion of the area affected by any lease or leases, the impounded funds shall be pro-rated on the same basis as just hereinabove provided for, and payments shall be made accordingly.

11

(a) Upon the final settlement or adjudication of the aforesaid controversy, as to any area affected by a lease or portion thereof to which this agreement is applicable, the successful party, upon receipt of the impounded funds, shall validate and give recognition to such lease or portion thereof, and shall grant to the lessee all of the rights authorized or provided for by the laws of the successful party. It is provided, however, that the ratification and validation of any lease by the State of Louisiana shall be subject to the full compliance by the lessee under said lease with Act 38 of the Louisiana Legislature of 1956, and shall be in accordance with and subject to compliance with the

terms of the separate agreement to be made by such lessee with the State of Louisiana as herein provided for.

(b) Nothing herein contained shall obligate the United States or the State to recognize or give effect to any conventional agreement executed, or any order, determination or regulation issued by the other subsequent to June 11, 1956, amending, modifying, or otherwise changing any lease subject to the provisions of this agreement, except that the successful party in the controversy shall recognize and give effect to the following, even though subsequent to June 11, 1956:

(1) An agreement, order or determination recognizing that the running of the period during which any lease may be maintained in effect without drilling or producing operations or without payment of shut-in rental or royalty on the basis of a well capable of producing oil, gas or other minerals, insofar as it relates to land affected by the aforesaid controversy, has been and shall be suspended during the period or periods of time that the right to drill has been enjoined by order of court;

(2) The pooling and unitization agreements as provided for and as described in paragraph 12(b) hereof;

(3) The suspension or extension of the necessity for producing from oil or gas wells, and the recognition of the continuance of the leases affected during such suspension or extension, provided such suspension or extension is on any one of the following bases: (a) An extension of the period formerly provided within

which to make payments of shut-in gas rental or royalty; (b) The shutting in of a well when necessary or desirable for the prevention of waste, or as a matter of operational safety, such as during the drilling of another well from the same platform; (c) The shutting in of a well for such period or periods as may be reasonably necessary to permit installation of producing and transporting facilities; (d) Under Section 12 of the Act.

Neither party shall, without the consent of the other, enter into any agreement reducing rentals or royalties payable under any lease made subject to the terms hereof.

(c) Any lessee shall have the right to elect not to maintain in force and effect any lease brought under the terms hereof, but any such election or any failure of a lessee to maintain a lease in effect shall not relieve that lessee of the obligation to pay to the State of Louisiana or to the United States, with respect to such lease, all bonuses, rentals, royalties and other considerations (and with respect to the State of Louisiana all licenses, taxes and fees) which have become due prior to the termination or forfeiture of said lease. Also, this agreement as between the United States and the State of Louisiana, shall continue in effect as to the payments made with respect to such lease.

(d) The provisions of this Paragraph 11 shall apply separately to each lease or that portion thereof in the disputed area.

12

(a) The parties hereto agree to consult and co-

operate with respect to the approval of pooling or drilling agreements relating to leases lying partly within and partly without the disputed area.

(b) It is agreed that, for the purpose of ratification and validation of each separate lease or portion thereof included therein, as provided for in Paragraph 11(a) above, any unit validly established by agreement of either party prior to June 11, 1956, shall be given effect in accordance with its terms and the law, regulation or order under which it was established; provided that neither this provision nor any other provision of this agreement, or of the unit agreement, shall limit the right of the party finally determined to own the area or portion thereof affected by such unit, if not the party by whom or with whose consent such unit was established, from taking, subsequent to such final determination, such action with respect to any such unit as may be authorized by and consistent with its then laws or policies. Any lessee affected by such action shall be given a reasonable time within which to comply with the then laws or policies and to safeguard the terms of its lease. Notwithstanding their establishment subsequent to June 11, 1956, the provisions of this paragraph 12(b) shall also be applicable to the following described unitized areas and unit agreements in the same manner as though they had been established prior to June 11, 1956, same being all such which were approved subsequent to said date and prior to October 9, 1956:

1. The unit for oil and gas dated December 9, 1955, and approved June 29, 1956, of which Magnolia

Petroleum Company is the operator, comprising 17,250 acres in the Ship Shoal Area, lying in Block 63, west half of 64, west half of 71, 72, east half of 73, and north half of 87.

2. The oil and gas unit dated May 25, 1956, which was approved on June 28, 1956, of which Kerr-McGee Oil Industries, Inc. is the operator, comprising 30,000 acres in the Ship Shoal Area lying in Blocks 27, 28, 29, 34, 35 and 36.

13

No new leases shall be granted by either party in that part of the disputed area lying in Zone No. 2, except that when the Secretary of the Interior and the State Mineral Board of Louisiana shall jointly determine new leases are necessary to prevent drainage of unleased lands, the Secretary of the Interior may grant such new leases which shall be subject to the terms of this agreement. Otherwise, the injunction against new leasing shall continue to be effective as to that area.

Beginning one year from the effective date hereof, the Secretary of the Interior, or his delegate, may grant new mineral leases in Zone No. 3, being the remainder of the disputed area.

All leasing pursuant to this Paragraph 13 shall be done by the Department of the Interior in accordance with and subject to its then regulations and practices under the Act, including the determination of when lease sales shall be held and what land shall be offered, the method of advertising, the date and time of the opening of bids, and the awarding, execu-

tion and form of leases, *Provided* that the minimum royalty, bonus and rental for any such lease shall not be less than the minimums provided in the proposed letting of May 15, 1956, and the maximum acreage in any lease and the term thereof shall be as provided for in said proposed letting; *Provided, further*, that there shall be a joint committee of six, three members of which shall be designated or appointed by the Secretary of the Interior or his delegate, and three members of which shall be designated or appointed by the State Mineral Board of the State of Louisiana, whose duties and functions shall relate solely to a consideration of adequacy of the bids. The Director of the Bureau of Land Management shall promptly furnish to this committee full information as to all bids received, designating specifically those which he proposes to accept or reject. The committee shall accept the decision of the Director with respect to the bid or bids on any block, tract or portion thereof unless four members thereof shall cast an opposing vote in which case the decision of the committee shall prevail and the Director shall act in accordance with such recommendation. The committee shall be allowed no more than 10 days within which to consider and act on the information submitted to it.

All sums payable under the terms of any lease granted pursuant to this Paragraph 13 shall, notwithstanding any other provision of this agreement, be paid to the United States for impoundment and release as provided for in Paragraphs 7 and 9 above, and any such lease shall be subject to all of the terms and pro-

visions of this agreement, including, but not limited to the consent to drill and the validation provisions hereof.

14

Any sums required to be impounded by either party hereto, or to be paid over or released to the other party by any party hereto, shall be impounded, paid or released without reference to, limitation by, or offset against any claim against or liability or obligation of the other party, but nothing herein contained shall limit such right as either party may have to assert separately any other claim which it may have against the other party, or any third party.

15

This stipulation and agreement shall terminate as to any area, upon the final settlement or determination of the aforesaid controversy with respect to such area; and thereafter the successful party shall have exclusive jurisdiction and control over the area so determined to be owned by it to the extent fixed by the decision in the final adjudication. In the event of the final settlement or determination of the controversy, with respect to a part or parts of the disputed area, leaving another part or other parts still in dispute, this agreement shall be deemed to continue to apply to all areas still in dispute; and if the area still in dispute divides a lease now lying wholly within the disputed area, or divides a portion of a lease lying within the disputed area, this agreement shall continue to apply to that portion of such divided lease lying within the area still in dispute. It is provided, however, that notwithstanding the ter-

mination of this stipulation as to any area, the parties shall nevertheless comply with all of the provisions hereof relating to the payment or release of impounded funds and the validation or ratification of the lease or leases affected by such termination.

Upon the final settlement or adjudication of the controversy as to all of the submerged lands within the disputed area, this stipulation shall finally terminate, subject only to the release of payments and the validation and ratification requirements hereof.

Annexed hereto as Exhibits I and II, respectively, are certified copies of Act 38 of the Louisiana Legislature of 1956 and Act 33 of the Louisiana Legislature of 1954, hereinabove referred to.

THUS MADE AND EXECUTED effective this 12th day of October, 1956.

UNITED STATES OF AMERICA

By (Sgd) FRED A. SEATON
Secretary of the Interior

Concurred in by:

(Sgd) HERBERT BROWNELL, JR.
Attorney General of the United States

STATE MINERAL BOARD ON BEHALF OF THE STATE OF LOUISIANA

By (Sgd) WILLIAM G. HELIS, JR.
Chairman

Concurred in by:

(Sgd) JACK P. F. GREMILLION
Attorney General of the State of Louisiana

PROOF OF SERVICE

I, the undersigned, authorized to act on behalf of the State of Louisiana, certify that copies of this motion, proposed decree and memorandum have been properly served on the 16th day of August, 1972, upon the Solicitor General and Attorney General of the United States, Department of Justice, Washington, D. C. 20530.

/s/ William J. Guste, Jr.